

First Valley Bank
McALLEN

March 8, 1999

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street NW, Suite 700
Washington, DC 20423

Re: Security Agreement of Texas Railcar Leasing, Inc.
Recordation No. 19986

Dear Mr. Williams:

First Valley Bank hereby executes a release of its security interest in the property described below. The security interest was attached and perfected by virtue of the recorded instrument referenced above (a photocopy of which is enclosed), to which this is a secondary document.

Please release the following:

The document described is a Security Agreement, being a primary document, dated February 28, 1996. A description of the collateral covered by the document is as follows:

1. Twenty-six (26) 2929 C.F. 100-ton Roller Bearing Trucks, Covered Top Hopper Railcars identified as follows: TRLX-5279 through TRLX-5304; and
2. Debtor's rights, title, and interest in and to Lease Agreement No. 95/010016 between Texas Railcar Leasing Company, Inc. and Kerr McGee Chemical Corporation as Lessee, dated October 12, 1995.

For index purposes, this correspondence is described as follows:

Release of Security Interest in: A Security Agreement between Texas Railcar Leasing Company, Inc., P. O. Box 1330, McAllen, Texas 78502-2708 and First Valley Bank, McAllen, Texas, dated February 28, 1996, covering twenty-six (26) 2,929 C.F. 100 ton Roller Bearing Trucks, Covered Top Hopper Railcars and Debtor's rights, title, and interest in and to Lease Agreement No. 95/010016 between Texas Railcar Leasing Company, Inc. and Kerr McGee Chemical Corporation as Lessee, dated October 12, 1995.

Our Cashier's Check for the \$26.00 filing fee is enclosed.

RECEIVED
MAR 19 1999
MAIL
MANAGEMENT
STB

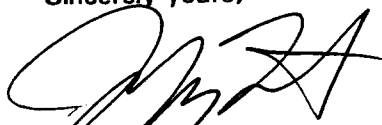
RECORDATION NO. 19986-A FILED
MAR 19 '99 12:00PM

Mr. Vernon Williams
Secretary
Surface Transportation Board
March 8, 1999
Page 2 of 2

Please forward the recorded original to:

Jeffry F. Fitch
Executive Vice President
First Valley Bank
P. O. Box 2708
McAllen, Texas 78502-2708

Sincerely yours,



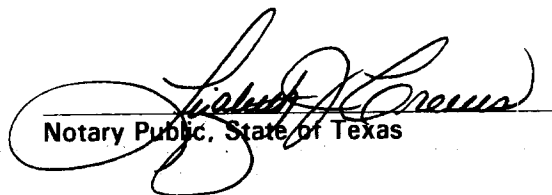
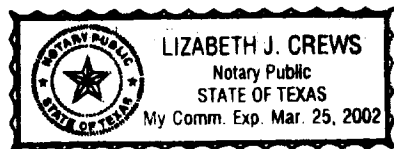
Jeffry F. Fitch
Executive Vice President

JFF/bc

Enclosure

STATE OF TEXAS
COUNTY OF HIDALGO

This instrument was acknowledged before me on the 8th day of March, 1999, by Jeffry F. Fitch,
Executive Vice President of First Valley Bank, McAllen, Texas, on behalf of said corporation.



Notary Public, State of Texas

Surface Transportation Board
Washington, D.C. 20423-0001

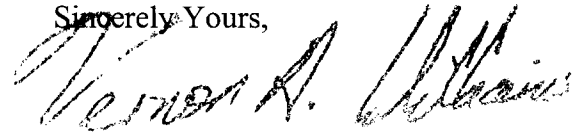
March 19, 1999

Jeffrey F. Fitch
Executive Vice President
First Valley Bank
P O Box 2708
McAllen TX 78502-2708

Dear Mr. Fitch:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on March 19, 1999 at 12:00 PM, and assigned
recordation number(s) 19986-A.

Sincerely Yours,

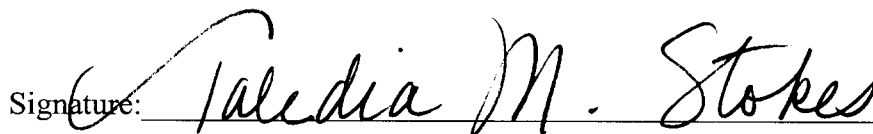


Vernon A. Williams
Secretary

Enclosure(s)

\$ 26.00 The amount indicated at the left has been received in payment of a fee in
connection with a document filed on the date shown. This receipt is issued for the amount
paid. In the event of an error or any questions concerning this fee, you will receive a
notification after the Surface Transportation Board has an opportunity to examine your
document.

Signature: _____



First Valley Bank

COPY

McALLEN

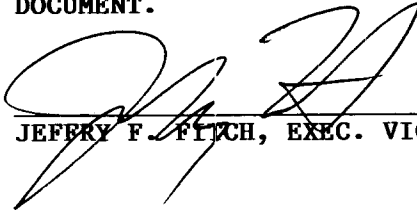
March 8, 1999

RECORDATION NO. 19986-A FILED

MAR 19 '99

12-00PM

I CERTIFY THIS TO BE A TRUE AND
CORRECT COPY OF THE ORIGINAL
DOCUMENT.



JEFFERY F. FITCH, EXEC. VICE PRESIDENT

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street NW, Suite 700
Washington, DC 20423

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Mr. Vernon Williams
Secretary
Surface Transportation Board
March 8, 1999
Page 2 of 2

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Jeffry F. Fitch
Executive Vice President
First Valley Bank
P. O. Box 2708
McAllen, Texas 78502-2708

Sincerely yours,



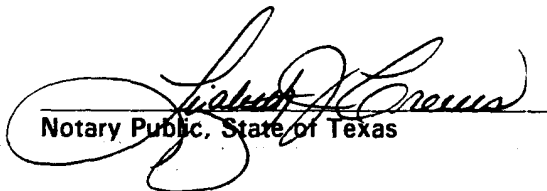
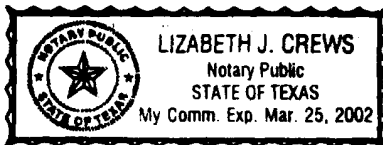
Jeffry F. Fitch
Executive Vice President

JFF/bc

Enclosure

STATE OF TEXAS
COUNTY OF HIDALGO

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Executive Vice President of First Valley Bank, McAllen, Texas, on behalf of said corporation.



Notary Public, State of Texas

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

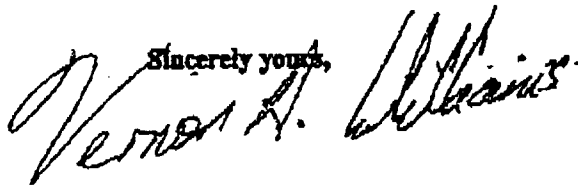
3/21/96

Jeffrey F. Fitch
Executive Vice President
First Valley Bank
120 West Nolana
McAllen, Texas 78504

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/21/96 at 2:30PM, and assigned recordation number(s). 19986.

Sincerely yours,

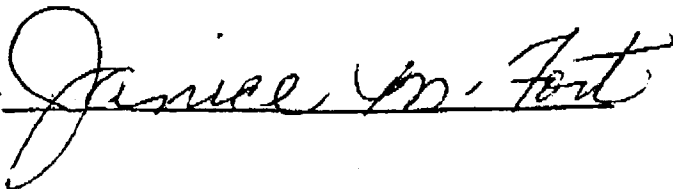


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



First Valley Bank

128 W. Nolana
McAllen, Texas 78504
(210) 482-3205
Hidalgo County
"LENDER"

OWNER OF COLLATERAL
TEXAS RAILCAR LEASING COMPANY, INC.

ADDRESS
P. O. BOX 1330
MCALLEN, TX 78502
TELEPHONE NO.
210/630 2723
IDENTIFICATION NO.
74 2511727

COMMERCIAL SECURITY AGREEMENT

<p>BORROWER TEXAS RAILCAR LEASING COMPANY, INC.</p> <p>ADDRESS P. O. BOX 1330 MCALLEN, TX 78502 TELEPHONE NO. 210/630 2723 IDENTIFICATION NO. 74 2511727</p>	<p>LOCATION OF COLLATERAL</p> <p>RECORDED: 19986 MAR 21 1998 - 2:20 PM INDEXED</p>
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1. **SECURITY INTEREST.** Owner of Collateral ("Owner") grants to Lender identified above a continuing security interest in the Collateral described below to secure the obligations described in this Agreement.

2. **OBLIGATIONS.** The Collateral shall secure the payment and performance of all of Borrower's and Owner's present and future, joint and/or several, direct and indirect, absolute and contingent, express and implied, indebtedness, (including costs of collection, legal expenses and attorneys' fees, incurred by Lender upon the occurrence of a default under this Agreement, in collecting or enforcing payment of such indebtedness, or preserving, protecting or realizing on the Collateral), liabilities, obligations and covenants (cumulatively "Obligations") to Lender pursuant to:

a. this Agreement and the following promissory notes and agreements:

INTEREST RATE	PRINCIPAL AMOUNT / CREDIT LIMIT	FUNDING / AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
VARIABLE	\$250,000.00	02/28/96	03/01/99	T3001400	23036544

- b. all other present or future, written or oral, agreements between Borrower or Owner to Lender (whether executed for the same or different purposes than the preceding documents);
c. all amendments, modifications, replacements or substitutions to any of the foregoing; and
d. applicable law.

3. **COLLATERAL.** The Collateral shall consist of all of the following-described property and Owner's rights, title and interest in such property whether now owned or hereafter acquired by Owner and whosoever located:

- ☐ All accounts and contract rights including, but not limited to, the accounts and contract rights described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All chattel paper including, but not limited to, the chattel paper described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All documents including, but not limited to, the documents described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All equipment, including, but not limited to, the equipment described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All fixtures, including, but not limited to, the fixtures located or to be located on the real property described on Schedule B attached hereto and incorporated herein by this reference;
- ☐ All general intangibles including, but not limited to, the general intangibles described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All instruments including, but not limited to, the instruments described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All inventory including, but not limited to, the inventory described on Schedule A attached hereto and incorporated herein by this reference;
- ☐ All minerals or the like located on or related to the real property described on Schedule B attached hereto and incorporated herein by this reference;
- ☐ All standing timber located on the real property described on Schedule B attached hereto and incorporated herein by this reference;

The property described in Schedule A;

All monies, instruments, and savings, checking or other deposit accounts within Lender's custody or control (excluding IRA, Keogh, trust accounts, and deposits subject to tax penalties if so assigned);
All accessions, accretions, additions, amendments, attachments, modifications, replacements and substitutions to any of the above;
All proceeds and products of any of the above;
All policies of insurance pertaining to any of the above as well as any proceeds and unearned premiums pertaining to such policies; and
All books and records pertaining to any of the above.

13. LOSS OR DAMAGE. Owner shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to all or any part of the Collateral. In the event of Loss or Damage, Owner will either restore the Collateral to its previous condition, replace the Collateral with similar property acceptable to Lender in its sole discretion, or pay or cause to be paid to Lender the decrease in the fair market value of the affected Collateral.

14. INSURANCE. The Collateral will be kept insured for its full value against all hazards including loss or damage caused by fire, collision, theft or other casualty. If the Collateral consists of a motor vehicle, Owner will obtain comprehensive and collision coverage in amounts at least equal to the actual cash value of the vehicle with deductibles not to exceed \$ 5,000. **OWNER MAY FURNISH REQUIRED INSURANCE EITHER THROUGH EXISTING POLICIES OWNED OR CONTROLLED BY OWNER OR THROUGH ANY INSURANCE COMPANY AUTHORIZED TO TRANSACT BUSINESS IN TEXAS, BUT LENDER MAY REFUSE ANY INSURER FOR REASONABLE CAUSE.** The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days' written notice before such policies are altered or cancelled in any manner. The insurance policies shall name Lender as a loss payee and provide that no act or omission of Owner or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Collateral. In the event Owner fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Collateral and charge the insurance cost as an advance of principal under the promissory note. Owner shall furnish Lender with evidence of insurance indicating the required coverage. Lender may act as attorney-in-fact for Owner in making and settling claims under insurance policies, cancelling any policy or endorsing Owner's name on any draft or negotiable instrument drawn by any insurer.

15. INDEMNIFICATION. Lender shall not assume or be responsible for the performance of any of Owner's obligations with respect to the Collateral under any circumstances. Owner shall immediately provide Lender with written notice of and indemnify and hold Lender and its shareholders, directors, officers, employees and agents harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to its business operations or the Collateral including, but not limited to, those arising from Lender's performance of Owner's obligations with respect to the Collateral. It is the express intention of the parties hereto that the indemnity provided for herein is intended to and shall indemnify and protect Lender from the consequences of Lender's own negligence, whether or not that negligence is the sole or concurring cause of any claim, damage, liability, loss, deficiency, penalty, cost or expense. Owner, upon the request of Lender, shall hire legal counsel to defend Lender from such Claims, and pay the attorneys' fees, legal expenses and other costs incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Owner's cost.

16. TAXES AND ASSESSMENTS. Owner shall execute and file all tax returns and pay all taxes, licenses, fees and assessments relating to its business operations and the Collateral (including, but not limited to, income taxes, personal property taxes, withholding taxes, sales taxes, use taxes, excise taxes and workers' compensation premiums) in a timely manner.

17. INSPECTION OF COLLATERAL AND BOOKS AND RECORDS. Owner shall allow Lender or its agents to examine, inspect and make abstracts and copies of the Collateral and Owner's books and records pertaining to Owner's business operations and financial condition of the Collateral during normal business hours. Owner shall provide any assistance required by Lender for these purposes. All of the signatures and information pertaining to the Collateral or contained in the books and records shall be genuine, true, accurate and complete in all respects. Owner shall note the existence of Lender's security interest in its books and records pertaining to the Collateral.

18. DEFAULT. Owner shall be in default under this Agreement in the event that Owner, Borrower or any guarantor:

- (a) fails to make any payment under this Agreement or any other indebtedness to Lender when due;
- (b) fails to perform any obligation or breaches any warranty or covenant to Lender contained in this Agreement or any other present or future written agreement regarding this or any other indebtedness to Lender;
- (c) provides or causes any false or misleading signature or representation to be provided to Lender;
- (d) allows any loss, diminution, or impairment of the physical condition, value, title, priority, possession, or control of any Collateral or Owner's or Lender's rights therein, including, but not limited to, allowing any part of the Collateral to be placed into receivership, removed, impaired, lost, stolen, destroyed, damaged, seized, confiscated or affected in any material way;
- (e) seeks to revoke, terminate or otherwise limit its liability under any continuing guaranty;
- (f) permits the entry or service of any garnishment, judgment, tax levy, attachment or lien against Owner, any guarantor, or any of their property;
- (g) dies, becomes legally incompetent, is dissolved or terminated, ceases to operate its business, becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of any bankruptcy, insolvency or debtor rehabilitation proceeding;
- (h) allows the Collateral to be used by anyone to transport or store goods, the possession, transportation, or use of which, is illegal; or
- (i) causes Lender in good faith to deem itself insecure for any reason.

19. RIGHTS OF LENDER ON DEFAULT. If there is a default under this Agreement, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law):

- (a) to declare the Obligations immediately due and payable in full;
- (b) to collect the outstanding Obligations with or without resorting to judicial process;
- (c) to change Owner's mailing address, open Owner's mail, and retain any instruments or other remittances constituting the Collateral contained therein;
- (d) to lawfully and peaceably take possession of any Collateral in any manner permitted by law;
- (e) to apply for and obtain, without notice and upon ex parte application, the appointment of a receiver for the Collateral without regard to Owner's financial condition or solvency, the adequacy of the Collateral to secure the payment or performance of the obligations, or the existence of any waste to the Collateral;
- (f) to require Owner to deliver and make available to Lender any Collateral at a place reasonably convenient to Owner and Lender;
- (g) to sell, lease or otherwise dispose of any Collateral and collect any deficiency balance with or without resorting to legal process;
- (h) to set-off Owner's obligations against any amounts due to Owner including, but not limited to, monies, instruments, and deposit accounts maintained with Lender; and
- (i) to exercise all other rights available to Lender under any other written agreement or applicable law.

Lender's rights are cumulative and may be exercised together, separately, and in any order. If notice to Owner of intended disposition of Collateral is required by law, Lender will provide reasonable notification of the time and place of any sale or intended disposition as required under the Uniform Commercial Code. In the event that Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of a prejudgment remedy in an action against Owner, Owner waives the posting of any bond which might otherwise be required. Owner waives and consents to any release or other impairment of any Collateral because of any failure of Lender to perfect its security interest, any damage to any Collateral, or any other reason whatsoever, even if caused by Lender's negligence.

20. APPLICATION OF PAYMENTS. Whether or not a default has occurred under this Agreement, all payments made by or on behalf of Owner and all credits due to Owner from the disposition of the Collateral or otherwise may be applied against the amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Agreement and any interest thereon and then to the payment of the remaining Obligations in whatever order Lender chooses.

21. REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER. Owner shall reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Owner or the exercise of any right or remedy belonging to Lender under this Agreement, together with interest thereon at the lower of the highest rate described in any promissory note or credit agreement executed by Borrower or Owner or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations, shall be secured by the Collateral identified in this Agreement and shall be payable upon demand.

22. ASSIGNMENT. Owner shall not be entitled to assign any of its rights, remedies or obligations described in this Agreement without the prior written consent of Lender. Consent may be withheld by Lender in its sole discretion. Lender shall be entitled to assign some or all of its rights and remedies described in this Agreement without notice to or the prior consent of Owner in any manner.

23. MODIFICATION AND WAIVER. The modification or waiver of any of Owner's Obligations or Lender's rights under this Agreement must be contained in a writing signed by Lender. Lender may perform any of Owner's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Owner's Obligations under this Agreement shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases any of the obligations belonging to any Owner or third party or any of its rights against any Owner, third party or collateral.

SCHEDULE A

TWENTY-SIX (26) 2929 C.F. 100 TON ROLLER BEARING TRUCKS, COVERED TOP HOPPER RAILCARS IDENTIFIED AS FOLLOWS: TRLX-5279, 5280, 5281, 5282, 5283, 5284, 5285, 5286, 5287, 5288, 5289, 5290, 5291, 5292, 5293, 5294, 5295, 5296, 5297, 5298, 5299, 5300, 5301, 5302, 5303, AND 5304. DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO LEASE AGREEMENT NO. 95/010016 BETWEEN TEXAS RAILCAR LEASING COMPANY, INC. AS LESSOR, AND KERR MCGEE CHEMICAL CORPORATION AS LESSEE, DATED OCTOBER 12, 1995.

SCHEDULE B**SCHEDULE C****SCHEDULE D**

d/w